

# PSL in a wider context

Andrew Morrison

Director – Policy & Business Development

# Presentation

- Background to PSL
- How does PSL work?
- Benefits for Councils
- Benefits for Tenants
- Landlord Attitudes
- Tenant testimonies
- Implications for longer term lettings?



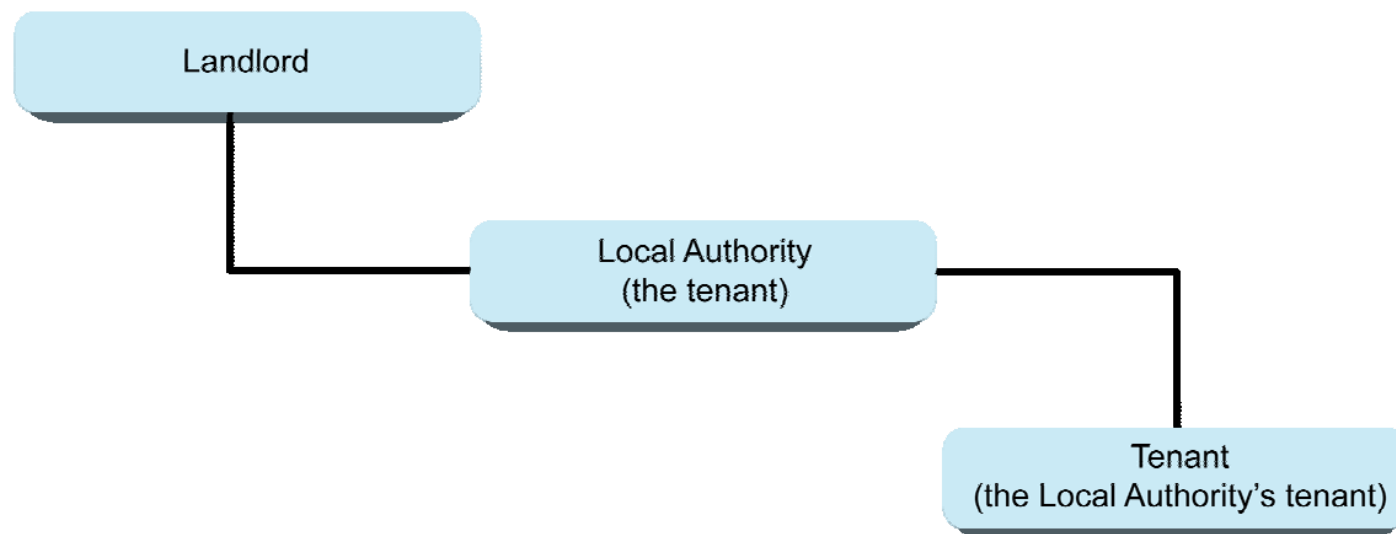
# What is Private Sector Leasing?

A scheme allowing Private Landlords and Investors to lease their properties to a Local Authority, who in turn use the property to provide accommodation for households in housing need.



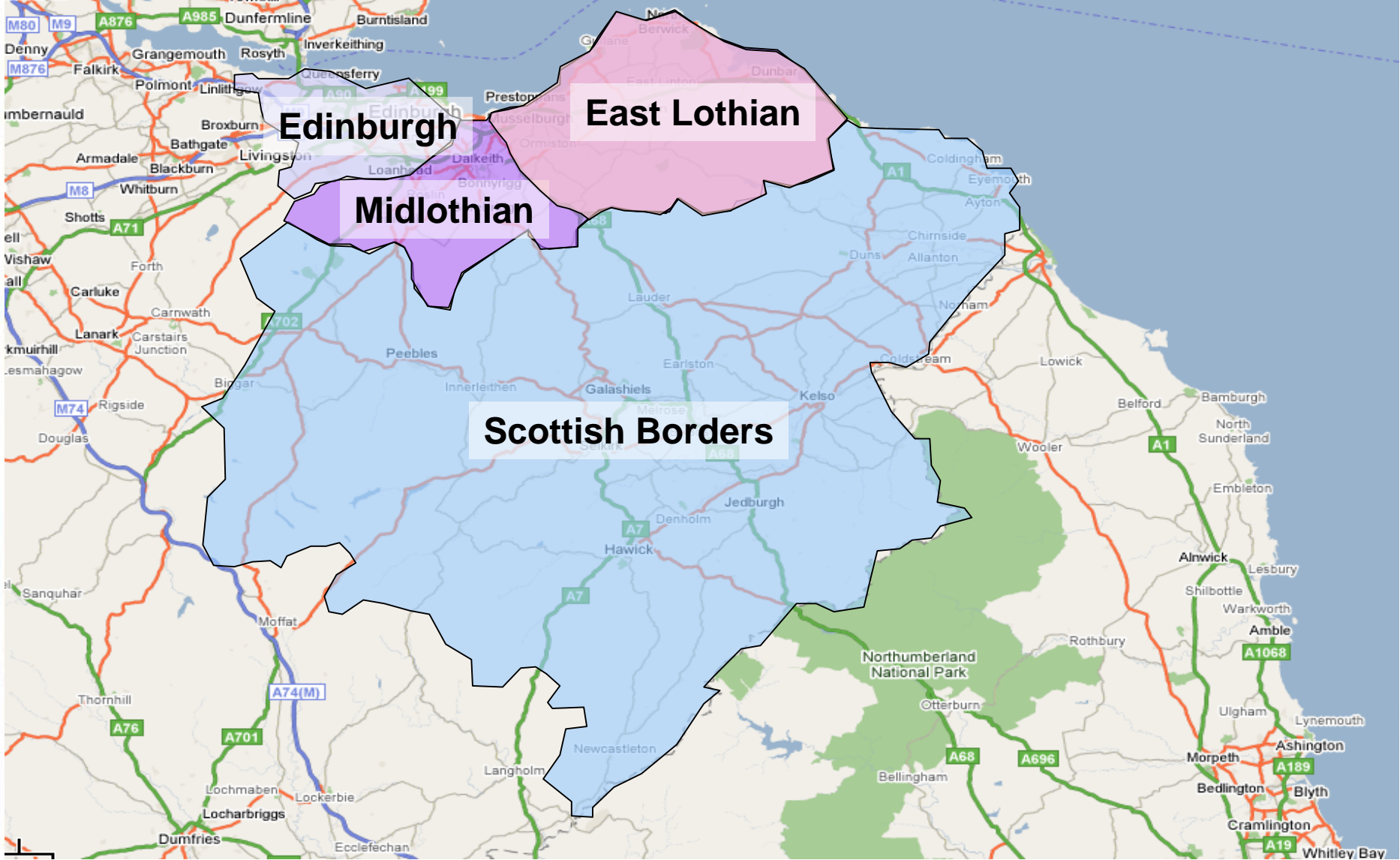
# How does the Lease work?

The landlord lets their property to the Local Authority who then sub-let the property to the individual or family they nominate.



# PSL with Orchard & Shipman

- **2002/3**  
London Boroughs of Hillingdon and Spelthorne – 900 properties
- **2005**  
City of Edinburgh Council – 1,500 properties
- **2007**  
Scottish Borders, Midlothian, East Lothian & London Borough of Southwark Councils



# Orchard & Shipman PSL Schemes in Scotland

# Benefits for Councils

- Experienced community housing provider
- Increases the housing options for people
- Major increase in temporary accommodation provision
- Significant budget savings
- Partnership working with private landlords
- Risk flexibility (e.g. indemnities)

# Benefits for Tenants

- More secure accommodation
- More choice in location & type of accommodation
- Furnished / unfurnished options
- Professional property management service
  - Accompanied viewings
  - Settling in visits
  - Interim visits
  - Check out visits



# Landlord Attitudes

- Positive
  - Guaranteed rent = long term financial security
  - Less risk (e.g. voids, rent arrears)
  - Full tenancy management service by O & S
  - Property returned in good condition
  - Benefits of property value increasing
- Ease of scheme means many landlords supply multiple properties
  - Provides more choice for LAs and tenants

# Landlord Attitudes

*“ A system that is good for all involved ”*

*“ It is unlikely our portfolio of properties would be as large if it were not for the ease of Orchard & Shipman handling the tenanting ”*

*“ Orchard & Shipman’s guaranteed 5 year income together with a very professional approach has convinced me to substantially increase my portfolio ”*

- Edinburgh landlords with multiple properties on PSL

# Tenant testimony - John's story

*“The area was so nice. Good things just don't happen to people like me. I feel that I have turned my life around. I am now doing voluntary work – helping adults with mental health problems.”*



# Tenant testimony - Jane's Story

*“The difference in my life since moving here has been amazing. The children have settled in to a new school, met new friends and have joined local clubs. Most of all we feel safe. The PSL scheme has been a godsend for me and the kids without which I really don't know what I would have done.”*



# Implications for longer term lettings

- Scottish Government Housing Aspirations Study (2007) – location, neighbourhood and property mentioned more than tenure
- Opportunity to discharge duty into PRS?
- ‘Qualifying offers’ – English example
- O&S welcome the opportunity to discuss:
  - Forthcoming Scottish Government Consultation on Interim Accommodation Regulations

# Summary

- Need to expand use of PRS to meet 2012
- Temp accommodation potential usage – Scotland currently at 8%, England at 68%
- PSL schemes working well in Scotland
- ‘Qualifying offers’ / discharge of duty?
- Full package of assistance available to establish contracts